



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
CASEY COUNTY SHERIFF**

Calendar Year 1999

**EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS
WWW.KYAUDITOR.NET**

**144 CAPITOL ANNEX
FRANKFORT, KY 40601
TELE. (502) 564-5841
FAX (502) 564-2912**

EXECUTIVE SUMMARY

CASEY COUNTY ROBERT WEDDLE, SHERIFF CALENDAR YEAR 1999 FEE AUDIT

The Auditor of Public Accounts has completed the Casey County Sheriff's fee audit. An unqualified opinion was rendered on the financial statements.

The audit disclosed the following areas of noncompliance:

- The Sheriff Should Have Presented An Annual Financial Statement To The Fiscal Court
- The Sheriff Should Have Published An Annual Financial Statement Within 60 Days After Close Of Calendar Year

Excess Fees:

Excess fees of \$16,440 were paid on September 27, 2000.

Deposits:

Deposits were fully insured or collateralized with bank assets.

Drug Enforcement Account:

As of January 1, 1999, the Sheriff had a balance of \$1,034 in his Drug Enforcement Account. In 1999, the Sheriff received \$1,860 and expended \$1,295, leaving an unexpended balance of \$1,599 as of December 31, 1999. These funds are to be used in law enforcement against drugs and are not included as part of excess fees.

CONTENTS

PAGE

| | |
|--|----|
| INDEPENDENT AUDITOR'S REPORT | 1 |
| STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES | 3 |
| NOTES TO FINANCIAL STATEMENT | 6 |
| COMMENTS AND RECOMMENDATIONS..... | 11 |
| REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS..... | 15 |



Edward B. Hatchett, Jr.
Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Ronald D. Wright, Casey County Judge/Executive

Honorable Robert Weddle, Casey County Sheriff

Members of the Casey County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of receipts, disbursements, and excess fees of the County Sheriff of Casey County, Kentucky, for the year ended December 31, 1999. This financial statement is the responsibility of the County Sheriff. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the County Sheriff's office is required to prepare the financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky, which is a comprehensive basis of accounting other than generally accepted accounting principles. This cash basis system does not require the maintenance of a general fixed asset group or general long-term debt group of accounts. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and excess fees of the County Sheriff for the year ended December 31, 1999, in conformity with the basis of accounting described above.

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Ronald D. Wright, Casey County Judge/Executive

Honorable Robert Weddle, Casey County Sheriff

Members of the Casey County Fiscal Court

Based on the results of our audit, we have presented the accompanying comments and recommendations, included herein, which discusses the following areas of noncompliance:

- The Sheriff Should Have Presented An Annual Financial Statement To The Fiscal Court
- The Sheriff Should Have Published An Annual Financial Statement Within 60 Days After Close Of Calendar Year

In accordance with Government Auditing Standards, we have also issued a report dated September 27, 2000, on our consideration of the County Sheriff's compliance with certain laws and regulations and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a stylized flourish at the end.

Edward B. Hatchett, Jr.

Auditor of Public Accounts

Audit fieldwork completed -
September 27, 2000

CASEY COUNTY
ROBERT WEDDLE, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES

Calendar Year 1999

Receipts

| | | | |
|--|----|---------------|---------------|
| State Grants | | \$ | 16,282 |
| State Fees For Services: | | | |
| Finance and Administration Cabinet | | | 10,156 |
| Circuit Court Clerk: | | | |
| Sheriff Security Service | \$ | 4,360 | |
| Fines and Fees Collected | | <u>2,519</u> | 6,879 |
| Fiscal Court | | | 8,622 |
| County Clerk - Delinquent Taxes | | | 2,237 |
| Commission On Taxes Collected | | | 107,541 |
| Fees Collected For Services: | | | |
| Auto Inspections | \$ | 4,235 | |
| Accident and Police Reports | | 396 | |
| Serving Papers | | 9,830 | |
| Arrest Fees-Other Counties | | <u>2,700</u> | 17,161 |
| Other: | | | |
| Carrying Concealed Deadly Weapon Permits | \$ | 3,660 | |
| Miscellaneous | | 687 | |
| Reimbursements | | 1,298 | |
| Transporting Patients | | 3,114 | |
| Sheriff's Advertising and Add-on Fees | | <u>17,880</u> | 26,639 |
| Interest Earned | | | 2,784 |
| Borrowed Money: | | | |
| State Advancement | | | <u>50,000</u> |
| Gross Receipts (Carried Forward) | | \$ | 248,301 |

CASEY COUNTY
 ROBERT WEDDLE, SHERIFF
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES
 Calendar Year 1999
 (Continued)

| | | |
|----------------------------------|----|---------|
| Gross Receipts (Brought Forward) | \$ | 248,301 |
|----------------------------------|----|---------|

Disbursements

Operating Disbursements and Capital Outlay:

Personnel Services-

| | | |
|--------------------|----|--------|
| Deputies' Salaries | \$ | 55,979 |
| Part-Time Salaries | | 4,250 |
| Other Salaries | | 21,667 |

Employee Benefits-

| | | |
|------------------------------------|--|-------|
| Employer's Share Retirement-KLEFPF | | 2,011 |
|------------------------------------|--|-------|

Contracted Services-

| | | |
|---------------------------------|--|--------|
| Advertising | | 1,808 |
| Vehicle Maintenance and Repairs | | 12,618 |

Materials and Supplies-

| | | |
|-------------------------------|--|-------|
| Office Materials and Supplies | | 3,741 |
| Uniforms | | 2,833 |

Auto Expense-

| | | |
|----------|--|-------|
| Gasoline | | 4,161 |
|----------|--|-------|

Other Charges-

| | | |
|--|--|-------|
| Dues | | 634 |
| Postage | | 3,478 |
| Bond | | 51 |
| Miscellaneous | | 4,267 |
| Carrying Concealed Deadly Weapon Permits | | 2,175 |
| Utilities | | 2,104 |
| Sequester Jurors | | 141 |
| Training | | 868 |
| 911 Program Support | | 1,000 |

Capital Outlay-

| | | |
|------------------|--|-----|
| Office Equipment | | 500 |
|------------------|--|-----|

Debt Service:

| | | |
|-------------------|--|--------|
| State Advancement | | 50,000 |
|-------------------|--|--------|

| | | |
|---------------------|----|---------|
| Total Disbursements | \$ | 174,286 |
|---------------------|----|---------|

CASEY COUNTY
ROBERT WEDDLE, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES
Calendar Year 1999
(Continued)

| | |
|---|--------------------|
| Less: Disallowed Disbursements | |
| Personal Advertising | <u>\$ (190)</u> |
| Total Allowable Disbursements | <u>\$ 174,096</u> |
| Net Receipts | \$ 74,205 |
| Less: Statutory Maximum | <u>57,765</u> |
| Excess Fees Due County for Calendar Year 1999 | \$ 16,440 |
| Payments to County Treasurer - September 27, 2000 | <u>16,440</u> |
| Balance Due at Completion of Audit | <u><u>\$ 0</u></u> |

The accompanying notes are an integral part of the financial statement.

CASEY COUNTY
NOTES TO FINANCIAL STATEMENT

December 31, 1999

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

The financial statement has been prepared on a cash basis of accounting pursuant to KRS 68.210 as recommended by the State Local Finance Officer. Revenues and related assets are generally recognized when received rather than when earned. Certain expenses are recognized when paid rather than when a liability is incurred, including capital asset purchases. Certain other expenses are recognized when a revenue and the related asset can be associated with a corresponding liability due another governmental entity.

The measurement focus of a fee official is upon excess fees. Remittance of excess fees is due to the County Treasurer in the subsequent year.

C. Cash and Investments

At the direction of the fiscal court, KRS 66.480 authorizes the Sheriff's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county officials and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system that covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5.0 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.28 percent. Hazardous covered employees are required to contribute 8.0 percent of their salary to the plan. The county's contribution rate for hazardous employees was 17.55 percent.

CASEY COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 1999
(Continued)

Note 2. Employee Retirement System (Continued)

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information pertaining to CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report which is a matter of public record.

Note 3. Deposits

The Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, and (c) an official record of the depository institution. These requirements were met, and as of December 31, 1999, the Sheriff's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the Sheriff's agent in the Sheriff's name, or provided surety bond which named the Sheriff as beneficiary/obligee on the bond.

Note 4. Related Party Transactions

The Casey County Sheriff's office paid \$7,242 during calendar year 1999 to Liberty Tire and Muffler for auto repairs and maintenance. Liberty Tire and Muffler is owned by the Sheriff's brother. The county's code of ethics states no county officer, county employee, or immediate family member of the officer or employee shall have an interest in a business, or engage in any business, transaction, or activity, which is in substantial conflict with the proper discharge of the public duties of the officer or employee. It further defines immediate family member as a spouse, child, or person claimed as dependent for tax purposes; therefore, the Sheriff is not in violation of the county's code of ethics. On January 17, 2000, the Casey County Board of Ethics confirmed there was no violation of the code.

Note 5. Drug Enforcement Account

As of January 1, 1999, the Sheriff had a balance of \$1,034 in his Drug Enforcement Account. In 1999, the Sheriff received \$1,860 and expended \$1,295, leaving an unexpended balance of \$1,599 as of December 31, 1999. These funds are to be used in law enforcement against drugs and are not included as part of excess fees.

THIS PAGE LEFT BLANK INTENTIONALLY

COMMENTS AND RECOMMENDATIONS

CASEY COUNTY
ROBERT WEDDLE, COUNTY SHERIFF
COMMENTS AND RECOMMENDATIONS

Calendar Year 1999

STATE LAWS AND REGULATIONS:

The Sheriff Should Have Presented An Annual Financial Statement To The Fiscal Court

The Sheriff did not present an annual financial statement to the fiscal court. Per KRS 134.310, a complete statement of all receipts and disbursements for all funds of the Sheriff's office is to be presented to the fiscal court at the time the Sheriff files and makes his final tax settlement. In the future, we recommend the Sheriff comply with KRS 134.310.

Sheriff's Response:

I was unaware of this. I will comply in the future.

The Sheriff Should Have Published An Annual Financial Statement Within 60 Days After Close Of Calendar Year

We noted that the annual financial statement for calendar year 1999 was not published until May 31, 2000. Per KRS 424.220(6), the financial statements are required to be published within 60 days after the close of the calendar year. We recommend the Sheriff comply with KRS 424.220(6).

Sheriff's Response:

I will comply.

INTERNAL CONTROL - REPORTABLE CONDITIONS:

None.

INTERNAL CONTROL - MATERIAL WEAKNESSES:

None.

PRIOR YEAR:

The Sheriff should have published his annual settlement within 60 days after the close of the calendar. This is a repeat comment in the current year.

THIS PAGE LEFT BLANK INTENTIONALLY

REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable Ronald D. Wright, Casey County Judge/Executive
Honorable Robert Weddle, Casey County Sheriff
Members of the Casey County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards

We have audited the Casey County Sheriff as of December 31, 1999, and have issued our report thereon dated September 27, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Casey County Sheriff's financial statement as of December 31, 1999, is free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Casey County Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material a weakness.

Honorable Ronald D. Wright, Casey County Judge/Executive
Honorable Robert Weddle, Casey County Sheriff
Members of the Casey County Fiscal Court
Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
September 27, 2000

